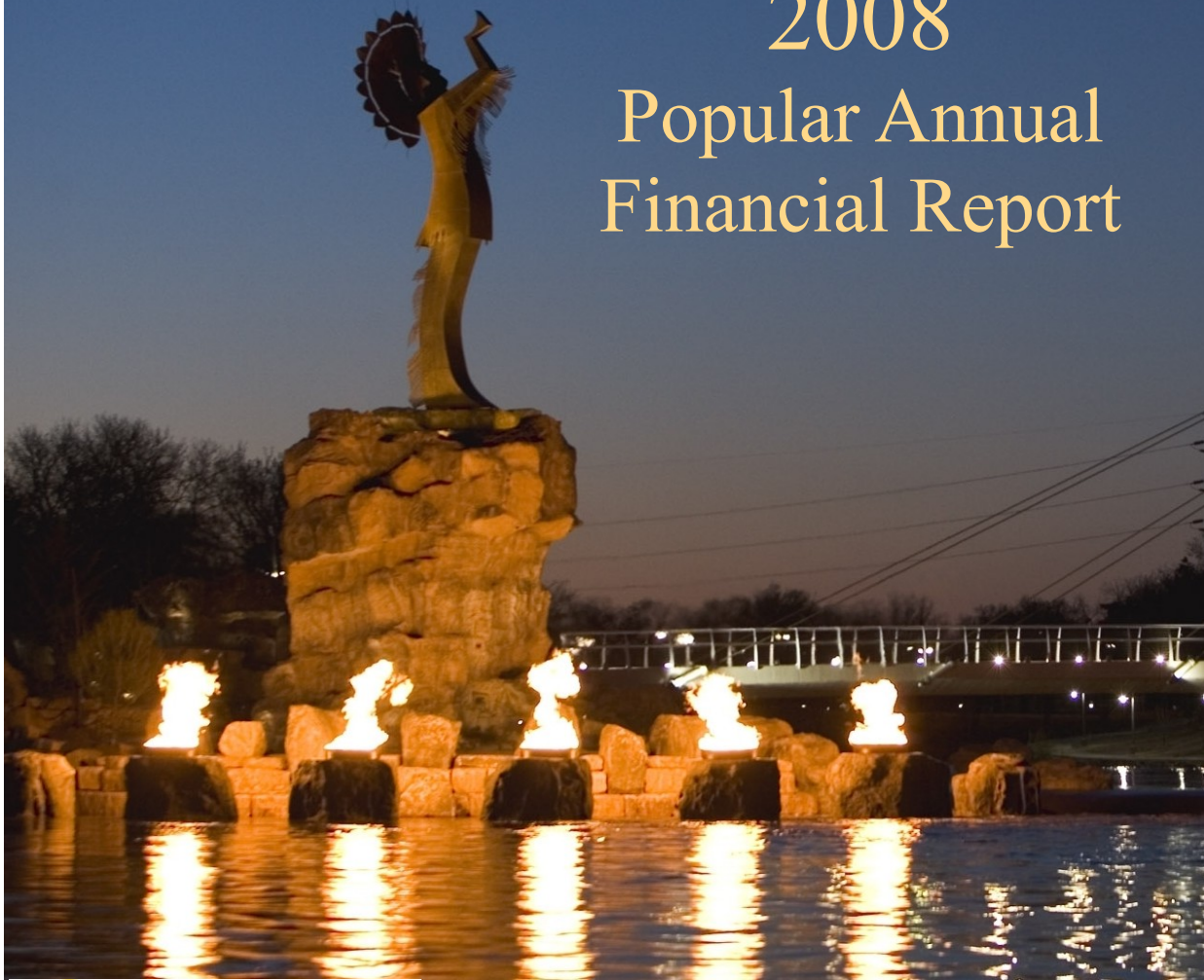


City of Wichita

2008 Popular Annual Financial Report



CITY OF
WICHITA
www.wichita.gov

Mayor

Carl Brewer

City Manager

Robert Layton

Council Members

Lavonta Williams Dist. 1

Jim Skelton Dist. 3

Jeff Longwell Dist. 5

Sue Schlapp Dist. 2

Paul Gray Dist. 4

Janet Miller Dist. 6



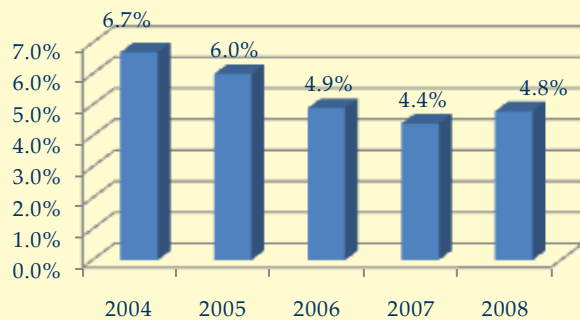
The City of Wichita is the largest city in Kansas. It has an estimated population of 367,288. It encompasses approximately 162 square miles and serves as a regional hub for business, entertainment, health care and education.

Local Economy

At the end of 2008, economic indicators began to show a decline. This is expected to continue through 2009. However, in spite of the decline several of the 2008 overall economic indicators for the year were positive.

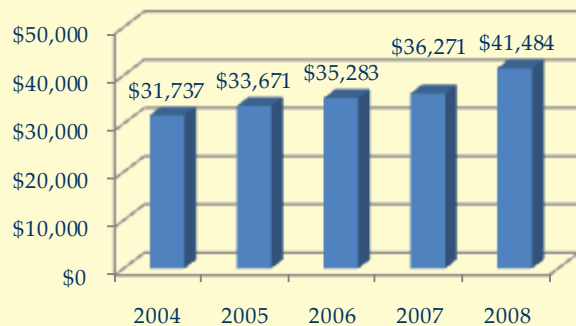
- ◆ The 2008 annual unemployment rate in Wichita increased only slightly at 0.4%
- ◆ The average income per person in Wichita has steadily increased over the last 5 years averaging a 6.58% yearly growth
- ◆ The estimated actual value of property in Wichita has grown 5.53% annually over the last 5 years

Annual Unemployment Rates



Source: State of Kansas, Department of Labor

Average Income Per Person



Source: 2004-2006, U.S. Bureau of Economic Analysis; 2007 and 2008 estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University



Services Provided by The City of Wichita

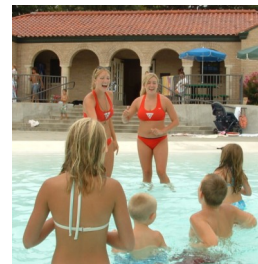
City Service Statistics



Fire Photo by Andy Thomas

City Service Statistics

	2007	2008
Police		
Dispatched calls for 911 service	206,453	234,578
Fire		
Number of unit responses	67,170	68,818
Fires contained to room of origin	68%	78%
Highways and streets		
Street resurfacing (miles)	33	18
Potholes repaired	96,731	93,880
Parks and Recreation		
Golf rounds played	164,013	164,140
Trees planted	2,498	2,189
Swim Lessons	1,134	1,490
Library		
Library circulation	2,057,722	2,248,824
Library program attendance	68,296	69,597
Water		
Average daily consumption	58 million gal.	54 million gal.
Sanitary Sewer (wastewater)		
Average daily sewage treated	36 million gal.	40 million gal.
Airport		
Number of passengers	1,596,229	1,619,075
Number of daily flights	50	43
Transit		
Fixed route ridership	1,972,981	2,255,051



Where Does the Money for These Services Come From?

Revenue Sources

Where the Money Comes From

The City of Wichita maintains 25 governmental funds with multiple sub-funds, which account for the City's basic services including public safety, general government administration, highways and streets, culture and recreation and the physical environment.



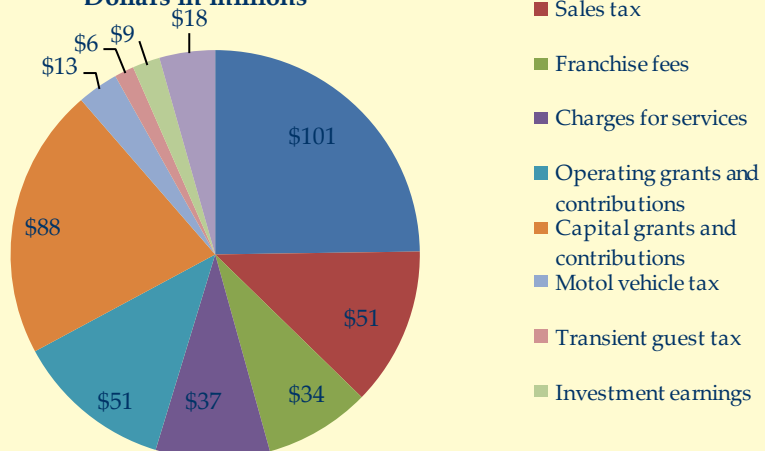
Revenue totaling \$408 million financed these services from the following sources:

- ◆ **Property Tax**-taxes collected from property owners on real estate and other equipment
- ◆ **Sales Tax**-City's portion of the County wide sales tax
- ◆ **Franchise Fees**-percent of revenue from utility companies for the use of the City's right-of-way to deliver utility services
- ◆ **Charges for Services**-resources paid to the City for services such as recreation classes, space rentals, inspection fees and fines
- ◆ **Operating Grants and Contributions**-resources received from other governments for specific services such as housing and community assistance programs, police services and environmental health programs
- ◆ **Capital Grants and Contributions**-resources received for the construction of capital assets, normally for roads and bridges. These are primarily received from other governments and special assessments from property owners.
- ◆ **Motor Vehicle Tax**-local portion of the property tax levied on motor vehicles
- ◆ **Transient Guest Tax**-set by the City Council and collected by local hotels to fund tourism and convention programs
- ◆ **Investment Earnings**-revenues earned on the investment of cash balances
- ◆ **Miscellaneous**-revenues from the sale of unused property, repayment of loans, insurance settlements and other reimbursements



2008 Revenue Sources

Dollars in millions



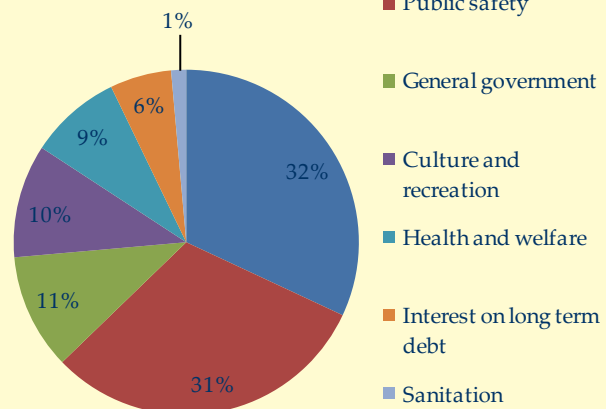


Expenditures How the Money is Spent

City Service Expenditure Categories

- ◆ **Highways and Streets**-construction and maintenance
- ◆ **Public Safety**-fire and police
- ◆ **General Government**-elected officials, administrative offices and municipal court
- ◆ **Culture and Recreation**-park and library programs including Wichita Art Museum, Cowtown, Mid America All Indian Center and Botanica
- ◆ **Health and Welfare**-housing and community assistance programs, environmental services, animal control, day care licensing and inspection of food service providers
- ◆ **Interest on Long Term Debt**-cost of financing investments in streets, bridges, buildings attractions, and technology
- ◆ **Sanitation**-street cleaning, weed and blight control

2008 Expenditures Totaling over \$368 million



2008 Projects

- ◆ Phase II of the Equus Beds Aquifer Storage and Recovery water recharge project began
- ◆ Street and parking lot improvements continued in preparation for the opening of Intrust Bank Arena
- ◆ Construction of the third airline terminal began at Mid-Continent Airport with a targeted completion in 2012
- ◆ Wichita Transit started technology upgrades to increase efficiency and improve customer service



Aerial View of Aquifer Storage and Recovery



Business-type Activities

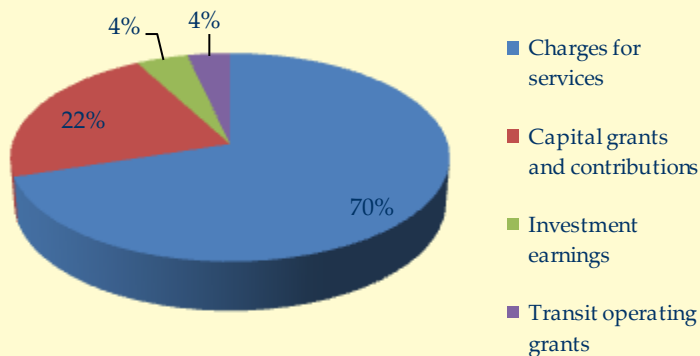
Water, Sewer, Storm Water, Airports, Transit and Golf Courses

These areas operate more like private businesses, with their own self-supporting revenue sources. These services are generally not supported with sales or property tax.



Aerial View of Cowskin Creek Water Reclamation Facility

Business-type Revenues



2008 Business-type revenues totaled \$155 million

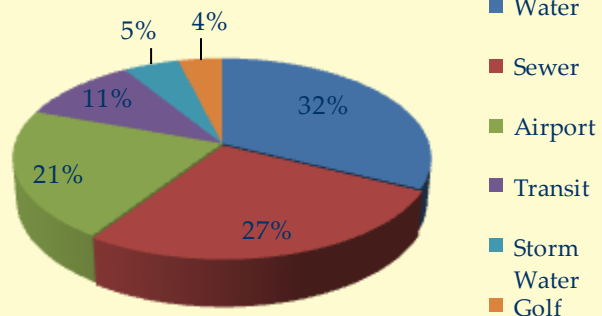
The Water, Sewer, Storm Water and Golf departments operate from money they receive for the services they provide.

Transit uses money it receives from services and is subsidized by local taxes. Transit also receives revenue from State and federal grants.

The Airport receives support from federal grants.



Business-type Expenditures



2008 Business-type expenditures totaled \$129 million



Business-type

Assets include water and sewer lines, pumping equipment, sewer cleaners, airport taxiways, vehicles, buses and industrial mowers. 2008 Business-type assets totaled over \$1.1 billion.

- ◆ Water \$449,996,959
- ◆ Sewer \$369,777,017
- ◆ Airports \$138,916,899
- ◆ Storm Water \$119,763,844
- ◆ Transit \$15,580,492
- ◆ Golf Courses \$9,508,258

Assets Business-type and Governmental

Delivering services to the citizens of Wichita requires more than just dollars. Many types of assets are also needed to keep the City running. In 2008 depreciated assets were valued at \$2.1 billion.

Governmental

Assets are used to deliver City benefits such as police and fire rescue, parks and recreation, and streets and bridges. These totaled over \$1 billion in 2008. Governmental assets are made up of the following categories:

- ◆ Land
- ◆ Buildings
- ◆ Improvements
- ◆ Equipment
- ◆ Infrastructure
- ◆ Construction in Progress



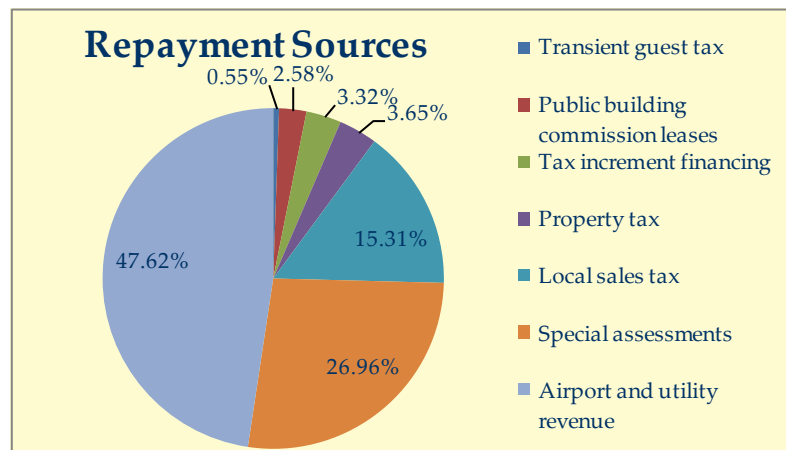
Fire Photo by Andy Thomas

Debt Business-type and Governmental

Assets are financed with a mixture of cash and long term borrowing. Money is borrowed on a long term basis to spread the cost of assets over their useful life. Funds are only borrowed to fund capital acquisitions and improvements.

Total long term debt outstanding on December 31, 2008 was \$843,880,369.

This debt is repaid from revenues from the Water, Sewer, Storm Water, Airport and Golf Course operations. Taxes and special assessments are also utilized to repay debt from governmental services.



This Popular Annual Financial Report has been prepared to inform citizens about the City of Wichita and its operations, services and programs, as well as its financial condition for the fiscal year ended December 31, 2008. It is suitable for readers who prefer to review operational and financial information in summary form and does not substitute for the City's Comprehensive Annual Financial Report (CAFR). This publication is derived from information provided in the CAFR which is based on generally accepted accounting principles (GAAP). This report is not presented in GAAP format and is not inclusive of all funds or the City's component unit, the Wichita Public Building Commission. The City's financial statements have been audited by Allen, Gibbs and Houlik, an independent firm of certified public accountants. The auditors' report concluded that the financial statements fairly reflect the financial condition of the City in all material respects.

A full copy of the CAFR is published on the City's website at
www.wichita.gov/CityOffices/Finance/Controllers/DocumentsForms.htm



Questions?

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